

Iowa Power Fund Board

Meeting Minutes February 19, 2009

Telephonic Meeting

Call to Order:

Fred Hubbell, chair, called the meeting to order at 2:00 P.M. He acknowledged a quorum.

Member	Present	Absent	Member	Present	Absent
Voting Members			Ex-Officio Members		
Fred Hubbell, Chair	X		Gregory Geoffroy		X
John Bilsten	X		Bill Giddings	X	
Peter Hemken		X	Kent Henning		X
Patricia Higby		X	Senator Hubert Houser		X
Carrie LaSeur	X		Senator Roger Stewart		X
Richard Leopold	Aaron		Rep. Nathan Reichert		X
John Norris	Joan		Rep. Chuck Soderberg		X
Bill Northey		X	Due Diligence Committee		Present Present
Lucy Norton	X		Tom Barton	Franklin Codel	
Mike Tramontina	Karen		Ted Crosbie	Vern Gebhart	
Thomas Wind, V-Chair	X		Curt Hunter	Fred Hubbell	X
			Patricia Higby	Roya Stanley	X

OEI staff in attendance: Roya Stanley, Brian Crowe, Sherry James

Approval of Agenda:

Action: Ms. Merrick moved, Ms. Norton seconded, to approve the agenda as presented. All members present voted “aye”.

Term Sheets

Mr. Crowe reminded the Board members that at the February 11 meeting there was some discrepancy in the original term sheet for Green Plains Renewable Energy Inc. and BioProcess Algae LLC, algae project. Specifically from the original term sheet the "Other Award Terms" section was altered. He reported the changes have been discussed with the negotiating committee and the applicants and the term sheet has been revised as follows:

Other Award terms: Green Plains Renewable Energy Inc. and BioProcess Algae LLC and its successors or assigns, will make cash payments to the Office of Energy Independence per execution of each licensing agreement to a third party or sale or installation of an algae bioreactor system based on a scaled payment schedule, as follows:

- A. For each small size project (less than 100,000 metric tonnes per year of algae and oil) there shall be a payment of \$20,850 (or 1% of the amount of the total award). Pilot-project scale projects (less than 10,000 metric tonnes per year of algae and oil) shall be exempted.
- B. For each intermediate size project (between 100,000 and 300,000 metric tonnes of algae and oil) there shall be a payment of \$104,250 (or 5% of the amount of the total award).
- C. For each large size project (greater than 300,000 metric tonnes of algae and oil) there shall be a payment of \$208,500 (or 10% of the amount of the total award).

If a particular project increases in size above the aforementioned thresholds, Green Plains Renewable Energy Inc. and BioProcess Algae LLC shall be responsible for the increased payment.

If the algae bioreactor systems are manufactured and installed within the State of Iowa, the scaled payment schedule stated herein shall be discounted by one-half (50%).

Once the \$2,085,000 (or amount of the total award) has been repaid in full, Green Plains Renewable Energy Inc. and BioProcess Algae LLC and its successors and assigns will have repaid the obligation to the Iowa Power Fund. This provision shall be in effect until July 1, 2020 (10 years from outlined project completion date).

Action: Ms. Norton moved, Ms. Merrick seconded, to approve an award to Green Plains Renewable Energy Inc. and BioProcess Algae LLC on the terms and conditions described in the Term Sheet presented. A roll call voted resulted as follows: Hubbell, aye; Bilsten, aye; LaSeur, aye; Brees, aye; Conrad, aye; Norton, aye; Merrick, aye; Wind, aye. Motion carried.

Other:

Mr. Hubbell requested an update on the progress of POET. Director Stanley reported DED attorney, Melanie Johnson has sent out the revised language to the POET attorney for their review. It is hopeful a special board meeting can be convened in another week to consider the finalization of the POET contract.

Adjournment:

There being no further business to discuss at this time, Mr. Wind moved, Ms. Norton seconded, the meeting be adjourned at 2:15 P.M. All members present voted "aye".

Fred Hubbell, Board Chair

Sherry James, Recording Secretary